23 Labour and Working Conditions

23.1 Introduction

23.1.1 Scope

This chapter considers the potential for issues related to labour and working conditions to arise from the deployment of labour on the Simandou Port. This is focussed on the potential for adverse conditions to arise for workers and in the workplace and the steps needed to prevent this, as opposed to the impact of the Project on the community from employment offered by the Project which is addressed in Chapter 18: Employment and Economic Development.

The principles against which this assessment is carried out are set out in the provisions of relevant national law and international standards and in Performance Standard 2: Labour and Working Conditions of the International Financial Corporation (IFC PS2) which seeks to protect the fundamental rights of workers including their right to freedom of association, non-discrimination, a safe working environment and protection of vulnerable groups such as children and migrant labour (see Section 23.2.2).

Thirteen different issues related to the employment of workers have been identified as potentially arising in association with the Project. These relate to:

- Human Resources Policies and Procedures;
- Working Hours and Leave;
- Wages and Benefits;
- Workers’ Accommodation;
- Workers’ Organisation – Trades Unions, Freedom of Association and Collective Bargaining;
- Non-Discrimination and Equal Opportunities;
- Migrant labour;
- Retrenchment;
- Grievances;
- Child Labour;
- Forced labour;
- Occupational Health and Safety; and
- Specific issues related to Workers Employed by Third Parties in the Supply Chain.

The chapter deals with all individuals working on construction, and operation of the port, including staff employed directly by the Project (referred in the remainder of this chapter as Project employees) and employees of contractors and subcontractors (referred to as contractor employees) (1). All mitigation measures will apply equally to both Project and contractor employees. It also considers the potential for risks to those employed indirectly in the Project supply chain, that is in enterprises providing goods and services to the Project such as local suppliers of food and maintenance services. In accordance with IFC PS2, these supply chain risks are focused on child and forced labour and life-threatening safety issues only.

Expatriate Project employees who work for the Project in management and other senior posts on a short term fly-in, fly-out basis are excluded from the scope of the assessment as they will be employed from their home base and under terms and conditions applying in their home countries. Foreign construction workers employed by the construction contractors are included within the scope of assessment.

23.1.2 Labour Deployment

At the time of this assessment (April 2012), the Simandou Project is at the exploration stage. Around 770 Guineans and 125 expatriates are working directly for the Project and another 1,540 workers are employed by the Project’s contractors. Of this total approximately 540 currently work at the mine site with the

(1) All references to contractors from here on relate to both contractors and subcontractors.
remainder mostly based in Conakry.

Between 2012 and 2016 a large number of people are expected to be employed in constructing the Project, reaching a peak of about 16 000 workers engaged in construction of the mine, railway and port. Of these some 3 900 will be employed in constructing the port, of whom the large majority (more than 90%) will be contractor employees.

The first iron ore is planned to be exported in 2015 and production will ramp up in the following years. Between 2011 and 2015, the number of workers engaged directly in operation of the Project will increase to approximately 4 600, and to 5 400 by 2020. By 2020 approximately 1 320 people will be employed at the port, the majority of which will be Project employees.

23.1.3 Structure of the Chapter

The remainder of the chapter is organised as follows:

- Section 23.2: presents the approach, including definition of the study area, relevant standards and study methods;
- Section 23.3: describes the context of existing labour and working conditions in Guinea and on the Project;
- Section 23.4: assesses the risks of adverse and beneficial impacts on workers, identifies the measures planned to mitigate these risks and provides an assessment of the residual impact; and
- Section 23.5: provides and summary of the findings.

In this chapter the assessment of risks and the proposals for mitigation and assessment of residual impacts after mitigation, are all presented together in Section 23.4, structured following the thirteen headings identified in Section 23.1.1.

23.2 Approach

23.2.1 Study Area

The assessment does not address a specific geographical study area but covers all people employed during construction and operation of the port and by its contractors and suppliers, as explained in Section 23.1.1.

23.2.2 Legal and Other Requirements

23.2.2.1 Guinean Legislation and Standards

Labour rights are provided for predominantly in the 1988 Labour Code (Ordre No. 003/PRG/SGG/88) but several other laws are also relevant including the recently adopted Constitution, the Social Security Code (Loi L/94/006/CTRN), the Child Code and the Criminal Code and various amending and implementing texts.

The principal requirements are reviewed below and further details are provided in Annex 23C: Summary of Legislation and Standards Relevant to Labour and Working Conditions (1).

- The Constitution: Adopted in 2010 by Presidential Decree, the Constitution of Guinea contains provisions relating to the right to work, prohibition of discrimination in employment, the right freedom of association and the right to collective bargaining.

(1) Where the project applies a standard at the mine, for example due to specific mining sector legislation or standards an equivalent standard of performance will be required for the port where relevant as the port is assumed to be a component of an overall mining sector project.
• The Labour Code: The 1988 Labour Code is the main piece of legislation that regulates the rights and obligations of the parties to the employment relationship. It provides an exhaustive legal framework for employment contracts, working conditions, the representation of workers and social dialogue, discipline and dismissal, and the protection of workers’ health.

• The Child Code: The Child Code was adopted in 2008. It provides protection for children against the worst forms of child labour including sexual exploitation, forced labour and trafficking and also sets the minimum age for children to access employment of 16 years (including light work and apprenticeship). It includes a detailed list of hazardous occupations from which children are prohibited.

• The Social Security Code: The 1994 Social Security Code governs the collection and distribution of national social security funds for labour-related health and occupational insurance and social initiatives as well as provisions on pension rights and scheme. The Code also includes details on the responsibilities of the employer and how the fund can be used in the event of work-related accident or illness.

• The Mining Code: The Project is governed by the Mining Code and by the 2002 Basic Agreement reached under the Code.

The Project has also agreed Internal Rules (Règlement intérieur 16 décembre 2011) with its employee representatives and with the Directorate General of Labour, under the Collective Convention for Activities in Mines, Quarries and Mining Industries (La Convention collective de la branche d’activités mines, carrières et industries minières), governing the terms under which the company will employ workers. A copy of the agreed Règlement intérieur is presented in Annex 23A.

23.2.2.2 International Conventions

Guinea has been a member country of the International Labour Organization (ILO) since 1959 and has ratified all eight ILO core Labour Conventions relating to child labour, forced labour, discrimination, freedom of association and the right to collective bargaining. Guinea is also a signatory of other relevant international treaties such as the Convention on the Rights of the Child and the International Covenant on Economic, Social and Cultural Rights (1).

23.2.2.3 IFC Performance Standard 2: Labour and Working Conditions

Approved in 2011 and effective from January 1, 2012, the new IFC Performance Standards are designed to help companies avoid and mitigate adverse impacts and manage risk as a way of doing business sustainably. IFC PS2 deals directly with labour and working conditions. It aims to:

• promote fair treatment, non-discrimination and equal opportunity of workers;
• establish, maintain, and improve the worker-management relationship;
• promote compliance with national employment and labour laws;
• protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties, and workers in the company’s supply chain;
• promote safe and healthy working conditions, and the health of workers; and
• avoid the use of forced labour.


The principles set out in IFC PS2 are relevant to the Project and this assessment. Specific recommendations relating to the promotion of safe and healthy working conditions at the port can be found in the IFC's Environmental, Health and Safety Guidelines for Ports, Harbors, and Terminals (2007), and particularly in the section dealing with Occupational Health and Safety.

23.2.2.4 Rio Tinto Policies and Standards

Key company policies and standards relevant to labour and working conditions include:

- Rio Tinto’s global code of business conduct *The way we work* (see Annex 1D);
- Rio Tinto’s 2011 procurement principles;
- Rio Tinto’s employee reporting programme “speak-OUT”;
- Simandou Project recruitment policy;
- Simandou Project Health, Safety, Environment and Community (HSEC) requirements for suppliers and contractors; and
- Local Conduct Policy.

Further details of these standards are provided where relevant in the following sections.

23.2.3 Prediction and Evaluation of Impacts and Risks

Given that the issues addressed in this chapter are not impacts in the conventional sense, but rather risks associated with workers enjoyment of their rights to be employed under fair, healthy and safe working conditions (see Section 23.2.2.3 above) the assessment adopts a risk-based approach.

In this three attributes are applied to determining the significance of risks to the rights of workers during construction and operation.

- **Extent of affected group:** this indicates the scale of the working population that could be affected by barriers to the enjoyment of their rights. In some cases only small groups of specific workers could be affected, whereas in others the entire workforce and people working in the supply chain could be affected, including workers from foreign countries.

- **Probability:** this indicates the likelihood, based on professional judgement, that there a risk to the full enjoyment of a particular right that will arise during the Project lifetime.

- **Vulnerability of the affected group:** this addresses the vulnerability of the affected workers in terms of their ability to avoid or mitigate the adverse effect on their rights and to assert and protect their rights directly with the Project and under national and international law. Typically direct Project employees will have a greater capacity to protect their rights than contractor employees, partially because they have direct recourse to the Project as their employer, but also on account of the fact that they are more likely to have a greater degree of permanency and job security. It is likely that supplier employees will have least ability to protect themselves because of the variability of standards amongst suppliers and their lack of access to the Project grievance procedures to assist in providing protection. Within the workforce vulnerable groups such as women and migrants may also be more sensitive because their ability to assert and protect their rights is constrained by factors relating to adequacy of representation, cultural norms, access to the law and issues of language.

Based on the above, an assessment has been made of the direction (positive or negative) and significance of the identified risks taking into account already established and implemented Project policies and practices as illustrated in Table 23.1. This shows the evaluation for negative risks. The same approach is adopted for evaluation of potential improvements in rights of workers which are colour coded in green.
Table 23.1 Evaluation of Risks to Workers

<table>
<thead>
<tr>
<th>Vulnerability of Affected Group</th>
<th>Magnitude of Risk (Extent and Probability)</th>
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<tbody>
<tr>
<td></td>
<td>Negligible</td>
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<tr>
<td><strong>Negligible</strong></td>
<td>Not Significant</td>
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<td><strong>Low</strong></td>
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<td><strong>Medium</strong></td>
<td>Not Significant</td>
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<tr>
<td><strong>High</strong></td>
<td>Not Significant</td>
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</table>

Where significant risks are identified measures that will be taken to mitigate these risks are identified and an assessment of residual risk after mitigation is presented in each of the sub-sections in Section 23.4.

The study was undertaken through a combination of secondary and primary data gathering conducted in October and November 2011 with follow up research in February 2012. A country visit was conducted in mid-November 2011 during which desk-based information was verified and additional information was collected, in particular relevant Project policies and procedures in the field of human resources, labour and working conditions as well as policies and procedures regarding the use of suppliers and contractors. A series of in-depth interviews were held with the Project's Human Resources and Procurement Departments and with personnel from the Engineering, Procurement and Construction Manager (EPCM) responsible for the implementation and monitoring of labour standards by construction contractors. Interviews were also conducted with union representatives in Simfer and at national level, and with the Guinean Labour Inspectorate. A full list of those interviewed can be found at Annex 23B: Labour and Working Conditions - In-Country Visit Interviews.

23.3 Labour and Working Conditions – The Guinean Context

23.3.1 General

Employment in Guinea is primarily created in the informal sector, where 65 to 80% of the population are economically engaged and which accounts for between 45 and 65% of GDP (1). Informal work is most common in agriculture, livestock, fishing, forestry, wholesale and retail trade, passenger transport and construction. Working conditions in the informal sector are extremely poor and labour rights violations are widespread. Most workers in this sector do not have labour contracts, have little job security, and no protections under the law.

Employment in the mining and infrastructure sectors in Guinea is more usually formal but can also be characterised by poor working conditions including low wages, long hours, and breaches of the collective bargaining agreement (2), though generally not to the same extent as the informal sector. In addition, in the construction sector workers are often employed on a very short term basis, subcontracted to other employers or are working informally.

The principal issues arising in relation to labour standards for large mining and infrastructure projects in Guinea are:

- poor working conditions: low wages, long hours, safety issues;
- breaches of freedom of association: inadequate anti-discrimination protections in law for non-official trade unionists and political interference in the exercise of the right to strike;
- lack of job security and poor terms and conditions: use of casual working arrangements including through daily or temporary labour contracts and third party labour suppliers present a risk that workers will be employed with no job security and with poor terms and conditions;
- discrimination against women, migrants and minorities: women, migrants and national minorities can face discrimination and may be vulnerable to unstable living conditions and precarious working arrangements;
- child labour: exposure to child labour through relationships with local suppliers and contractors, particularly in food supply and basic services, potentially resulting in reputational damage and regulatory action (see also Section 23.3.11); and
- poor enforcement of labour laws: labour laws are poorly enforced and can be applied selectively.

Employment and labour policies are among the dominant issues in Guinean politics. In 2006, Guinea’s main trade unions launched a series of general strikes to demand a greater focus on workers’ rights and employment issues. The strikes were partially a response to the rise in the prices of food and fuel and the fact that Guineans could not find work. Youth unemployment and rising prices of commodities have continued to contribute to political unease, having been the source of regular political demonstrations.

Following a period of political turmoil, the outcome of the 2010 elections now provides a platform for better observance of the Labour Code and fairer distribution of the country’s mining resources including employment.

Despite this political commitment and the strong role trade unions play in Guinean society, enforcement of labour laws remains weak in practice. Corruption is an issue and government is short of resources and capacity to monitor the implementation of labour standards, including health and safety (1).

Particular aspects of the Guinean labour and working conditions context and relevant Project policies are described below, including the following.

- Working conditions and management of worker relationships, including:
  - human resources policies and procedures;
  - working conditions and terms of employment;
  - workers’ organisations;
  - non-discrimination and equal opportunity;
  - retrenchment; and
  - grievance mechanism.

- Protecting the workforce:
  - child labour;
  - forced labour; and
  - occupational health and safety.

- Workers engaged by third parties.

(1) Interviews with USTG, Labour Inspectorate
23.3.2 Human Resources Policies and Procedures

Most workers in Guinea are engaged in the informal economy and do not benefit from any protection of their rights. Small entities or entrepreneurs developing in the informal economy are likely to have very rudimentary human resources policies and procedures if at all. In bigger companies that operate in the formal sector, workers recruited on a daily basis generally do not enjoy the benefits included in the companies’ human resources policies and procedures.

23.3.2.1 Project Policies and Procedures

The Project’s Human Resources Department responsible for people and talent, recruitment, training, employee relations, and taxation and benefits through Pay As You Earn (PAYE) systems. Rio Tinto’s global policies in the field of human resources are all applicable to Project operations in Guinea. The most important is Rio Tinto’s 2009 global code of business conduct (1) (see Annex 1D: “The way we work” – Rio Tinto’s Global Code of Business Conduct) which covers the following issues:

- Rio Tinto’s global employee system “speak-OUT”;
- commitment to an incident and injury free workplace;
- commitment to protecting health and wellbeing of employees;
- prohibition of discrimination on the basis of race, gender, national origin, religion, age, sexual orientation, politics or any other personal characteristic protected by law;
- commitment to treat gender equally and implement equitable and transparent remuneration systems;
- prohibition of coercion or intimidation as well sexual or workplace harassment in the workplace;
- prohibition of the use of child and forced labour; and
- recognition of the right of all employees to freedom of association and the right to collective bargaining.

In addition, there are supporting group level policies on employment, health, safety, environment, community and quality which are relevant.

The Project also follows a number of human resources policies and procedures specific to operations in Guinea. These include the following.

- The Internal Rules (Réglement intérieur) (see Annex 23A): Adopted in 2000 and reviewed in 2011 in consultation with trade union representatives, the internal rules apply to all employees. They include details on the implementation of Labour Code provisions (around wages and hours in particular), information on health and safety and disciplinary procedures including a description of the different types of sanctions.

- Recruitment policy: This key policy was first approved in 2007 and reviewed in 2011. It applies to all local recruitment and to permanent and fixed term positions (daily workers excluded). It aims at providing a detailed set of recruitment guidelines to ensure an effective, transparent and fair process. It provides details about the recruitment process from the recruitment request to the identification of candidates and requirements around external advertisement, selection and testing of candidates and recruitment decisions.

- Negotiated agreements with union representatives: Since the setting up of a union representation and election of trade union representatives, discussions on relevant issues have taken place. In December 2010 this resulted in a negotiated agreement on job classification and wages designed to ensure a fair and transparent payment structure. It includes a description of tasks and responsibilities for all jobs and the corresponding wages depending on experience and performance.

The Basic Agreement (Convention de base): Signed with the government in 2002, the agreement contains obligations applicable to the Project with respect to local employment including, among others, a commitment to prioritise recruitment of Guinean and local workers and to set up training and promotion programmes to allow Guinean staff to access executive management positions.

In addition, the Project’s mining operations are subject to the Mining Sector Collective Bargaining Agreement, (Convention collective de la branche d’activités mines, carrières et industries minières). Although many interviewees (1) pointed out the shortcomings of the document which was last updated in 2001, it provides further supplementary provisions to the Labour Code on the exercise of trade union rights, workers’ terms and conditions of employment, bonuses and benefits, health and safety and pensions for workers in the mining sector. The agreement relates specifically to mining but is taken to apply also to employment in operations of the Simandou Port.

Specific provisions are being made to apply relevant requirements to contractor employees through the development of specific industrial relations annex to the standard construction and procurement contracts for the Project.

23.3.3 Working Hours and Leave

Guinean legislation with respect to hours of work (40 hours per week with exception for drivers and security guards), overtime (8 hours per week / 100 hours per year), paid leave (30 working days per year) is generally compatible with international standards. However, widespread poverty, high level of unemployment and lack of enforcement mechanisms mean that long hours and uncontrolled overtime do occur in Guinea (2).

23.3.3.1 Project Policies and Procedures

The collective bargaining agreement and Project internal rules apply to all Project employees and reiterate the provisions on working hours and leave included in the Labour Code. Normal working time is at 40 hours per week (with the exception for driver and security guards as per the law). Workers record their time at work on daily timesheets which are signed by workers’ supervisors. Data on the incidence of overtime is reported annually. In 2010 20% of hours worked were overtime.

23.3.4 Wages and Benefits

There is no minimum wage in Guinea. The ILO Committee of Experts has identified this as a matter of deep concern regarding compliance with international standards (3). Exact data on wages is absent due to the lack of capacity of the Labour Inspectorate to gather and publish relevant data. However, according to the Labour Inspectorate (4), wages are low and do not reflect workers needs in the light of the increases in the food and energy prices. The United States Department of States (5) also noted that prevailing wages in 2010 did not provide a decent standard of living for a worker and family. Wage levels remain among the key issues on the trade union agenda (6). In addition, there are reports of wages not being paid to workers in the mining sector, in particular following termination of employment.

(1) Interviews in-country – Labour inspectorate, USTG, HR Team, RT Worker representatives.
(3) ILO CEACR (2011). Individual Observation concerning Minimum Wage-Fixing Machinery Convention, 1928 (No. 26) Guinea. Available at http://ilolex.ilo.org/cgi-
lex/pconv.pl?host=status01&textbase=ilolec&document=33&chapter=3&query=%23subject%3D10%40ref%2B%23YEAR%3D2011&highlight=&querytype=bool&context=0
(4) Interviews in-country – Labour inspectorate
(6) Interviews in-country – USTG
23.3.4.1 **Project Policies and Procedures**

The Project is monitoring wages paid in the mining sector by taking part in an industry wage survey managed by an external consulting firm.

In addition to the basic provisions on overtime payment included in the Labour Code (which requires a 30 to 60% premium), the collective bargaining agreement in place in the mining sector provides further details on overtime premium (from 30 to 100% premium for night overtime on Sundays and public holidays (Art. 63)) and also includes a framework for calculating bonuses on the basis of expertise, attendance, the harshness of working conditions *etc* (Art. 65 to 74). This agreement applies to all workers, regardless of whether or not they are members of a trade union.

The Project internal company rules regarding fixed-term and permanent employees reiterate some of the provisions of the industry collective agreement. In addition, the Project has negotiated an agreement with the trade unions on job classification and wages in December 2010 that applies to wages for all local staff in 2011. Designed to provide a clear and transparent wage structure, the agreement includes a description of tasks and responsibilities for all jobs and a wage structure by category of workers (from manual workers to managers) which are applicable group-wide. While the agreement does not include a mechanism for automatic renegotiation or indicators on which to update wages on a yearly basis, wage levels are reviewed across all business units on an annual basis and there will often be collective bargaining each year.

Timely payment of wages and benefits is managed through PAYE software, payment is made via bank transfers and payslips are provided to workers. Five to seven complaints about wages are received every month and dealt with in the following months. They mostly arise from late presentation of timesheets, last minute changes in holiday plans, and data entry mistakes.

The Project aims not to employ daily workers unless necessary but has developed a wage structure for skilled and unskilled daily workers based on wages paid by local Guinean companies. This is designed to minimise distortion in the local labour market. Daily workers are paid in cash.

23.3.5 **Workers Accommodation**

At present the only workforce accommodation in Guinea is at the mine site where staff are housed at Canga East camp. There are no current requirements under Guinean law or company standards applying to this site.

23.3.6 **Workers’ Organisations - Trade Unions, Freedom of Association and Collective Bargaining**

Trade unions in Guinea are historically important - having played a pivotal role in the country's independence movement. In recent years, they have also assumed a leading political role.

There are three main trade union confederations in Guinea with a combined membership of 184 500 workers (1). All three are affiliated with the International Trade Union Confederation (ITUC).

(1) Available at [www.ituc-csi.org/IMG/pdf/No_13_-_List_Affiliates_08GC-2.pdf](http://www.ituc-csi.org/IMG/pdf/No_13_-_List_Affiliates_08GC-2.pdf)
Confédération Nationale des Travailleurs de Guinée (CNTG) is the longest-standing confederation with affiliates in all sectors.

Union Syndicale des Travailleurs de Guinée (USTG) is one of the two main unions, completely independent from the government with affiliates in all sectors.

Organisation Nationale des Syndicats Libres de Guinée (ONSLG), is the third union affiliated with the ITUC.

The CNTG, USTG and ONSLG are in a four-way alliance with the smaller Union Démocratique des Travailleurs de Guinée acting as a coordinated political force on national-level labour issues. Joint public statements from the alliance have addressed corruption in the country and called for improved wages and benefits and better working conditions, in particular with respect to health and safety issues. Unions are nonetheless committed to working with employers to support employment, resolve problems and advance the rights of workers.

23.3.6.1 Union Rights

Union rights can be limited by suboptimal anti-union discrimination protections in the labour law. The Labour Code affords protection from repercussions arising from union activity only to union delegates. Both the ITUC and the ILO Committee of Experts (1) have expressed concern over the lack of protection for union members who are not elected officials. In addition, according to the US Department of State (2), excessive union registration requirements often make the process of forming unions difficult. However, the registration requirements in the Labour Code do not directly contravene ILO standards on union formation.

ITUC have also alleged that trade unionists face threats, attacks, murder and an overall climate of violence and general insecurity (3).

23.3.6.2 Social Dialogue and Collective Bargaining Agreement

There are very few instances of social dialogue at the national level. Social partners are represented within the Economic and Social Committee and tripartite discussions are held on issues such as the increase of energy prices.

At the sectoral level, social dialogue is also rare. However, a series of collective bargaining agreements covering construction and the mining and port sectors are applicable.

In the mining sector, the collective bargaining agreement was negotiated under the supervision of the Labour Inspectorate between the main trade union confederations (CNTG and ONSLG) and the main mining companies operating in Guinea. It expands upon the Labour Code on the exercise of trade union rights, workers’ terms and conditions of employment, including discipline, bonuses and benefits, health and safety and pensions for workers in the mining sector. Negotiated in 1995 in the wake of the adoption of the Mining Code, many interviewees pointed out that the agreement needs to be modernised and updated in order to reflect provisions of the 2011 Mining Code (4).

(4) Interviews in-country – Labour inspectorate, USTG, Worker representatives.
At the enterprise level, the rules regarding setting up of union representation (*bureau syndical*) require that 25 workers join a union. The employer must then allow for the election of trade union representatives. Their numbers vary depending on the size of the enterprise. Union representation is less likely to be set up within small sub-contractors who are reported to have negative attitude towards unions \(^{(1)}\). There are very few provisions in the Labour Code on the role of unions and the issues which must be subject to discussion or negotiations. Consultation is mandatory on a range of subjects including health and safety, workplace restructuring, and modulation of working time. Union representatives are also in charge of:

- monitoring the correct implementation of health and safety standards;
- presenting individual and collective grievances on employment, working conditions and wages;
- bargaining collective agreements with employers; and
- submitting strike notices to the employers.

Once elected, union representatives in Guinea are protected against discrimination and dismissal and they are likely to benefit from some influence within the company, to receive information and be consulted.

### 23.3.6.3 Right to Strike

Provided that trade union representatives have given the employer a ten-day notice, workers in Guinea enjoy the right to strike. However, a strike can only be called for professional claims. This definition excludes in principle industrial action called on the basis of broader economic or social grounds.

Workers going on strike without following the due procedure (notice or professional claims) is common and the use of violence during strikes has been reported \(^{(2)}\). In the mining sector, several strikes were recently called and actions launched because employers and the government failed to address workers’ grievances, in particular around the need to review the national mining collective agreement which was seen as biased in favour of the mining companies. The sector is of such significance to the national economy that political interference and threat of using force has occurred \(^{(3)}\).

#### Industrial Action in the Mining Sector

**Mining:** According to ITUC \(^{(4)}\), numerous social conflicts on mining sites have demonstrated that workers’ rights are not being properly respected by employers and the authorities. In addition, the vital importance of this sector for the country’s economy has often incited the authorities to support employers to the detriment of workers. Political interference and threat of force and severe punishment of striking workers at one factory were made, even though the strikers maintained a minimum service during the strike.

In August 2011, the management of another company suspended more than 200 workers accusing them of attacks on the freedom to work, public abuse, threats and detentions. Later in the year, a tribunal ruled on this complaint – of the defendants, only two were found guilty but the employer has appealed. The workers remain suspended as they wait for the next phase of judicial proceedings.

### 23.3.6.4 Project Policies and Procedures

In accordance with Rio Tinto’s global code of business conduct, the Project is committed to respect freedom of association and the right to collective bargaining. In 2010, workers sought to unionise and a union representation (*bureau syndical*) was set up in 2010 in Conakry and Canga. Trade union elections were held in March 2010 in Conakry and Canga East and a total of 19 trade union representatives (and 19 substitutes) were elected (all affiliated with USTG). They represent all local employees. Since then, the

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\(^{(1)}\) Interview in-country – worker representatives

\(^{(2)}\) Interviews in-country – Labour inspectorate

\(^{(3)}\) Interviews in-country – Labour inspectorate

Project has endorsed the mining collective bargaining agreement (Convention collective – see Section 23.2.2.1) which, as a consequence, is now applicable to all its operations in Guinea.

The collective bargaining agreement provides supplementary provisions to those included in the Labour Code on the exercise of trade union rights, workers’ terms and conditions of employment, bonuses and benefits, health and safety and pension rights. The Project has also started discussing and negotiating with union representatives on various issues including the company internal rules, dismissal procedures, classification of jobs, and the wage structure. However, a negotiated agreement (protocol d’accord de négociation) on job classification and wage structure was reached in December 2010 and consultation with union representatives on revision of the company internal rules and recruitment policy has taken place.

In addition, discussions about the company's financing of religious celebrations, such as the end of Ramadan or Tabaski, have taken place with union representatives. The Project has also been engaging with the USTG to develop training modules for union representatives on rights and obligations under the Labour Code and the union mandate.

23.3.7  Non-Discrimination and Equal Opportunity

Guinea is made up of several ethnic groups including Soussou, Peuls and Malinké which form the majority of the population, and also smaller ethnic groups, in particular in the Guinée Forestière region. There is a strong ethnic identification and widespread societal ethnic discrimination by members of all major ethnic groups in private-sector hiring patterns (1).

The Guinean Labour Code includes few protections against discrimination and is generally not in line with international standards on the prohibition of employment discrimination (2). Notable potential grounds for discrimination covered by international standards and not currently included in Guinean law are sexual orientation, disability, HIV/AIDS status, age, social origin and minority status.

Societal discrimination against women in particular is prevalent in Guinea. International observers have noted a lack of positive measures targeted towards fair and equal inclusion of women in the labour market. Although no recent statistical data about the gender pay gap and other forms of gender discrimination are available, research shows that women face occupational discrimination and higher educational barriers than men to enter into formal employment (3). ITUC also notes that sexual harassment at the workplace is a problem (4).

23.3.7.1  Project Policies and Procedures

In accordance with Rio Tinto’s Global Code of Business Conduct, the Project prohibits discrimination on the basis of race, gender, national origin, religion, age, sexual orientation, politics, or any other personal characteristic protected by law. In addition, the Global Code of Business Conduct prohibits sexual workplace harassment, values diversity, and is committed to treat gender equally and to implement an equitable and transparent remuneration system. Although there are no specific procedures, the Project’s internal rules classify racial comments as a serious offence that triggers one to three days suspension and sexual harassment is classified as a very serious offence that automatically triggers the dismissal procedure. The Human Resources Department reports that there was recently one case of alleged racial discrimination / comments that was dealt with following the established grievance procedure (see Section 23.4.10).

23.3.8 Migrant Labour

The Labour Code applies to foreign workers and generally provides them with the same rights and conditions as national workers. There are no known reports on discrimination or abuse against migrant workers in Guinea. However, it is generally acknowledged that migrant workers are more likely to face unstable living conditions. Language barriers and job insecurity make migrant workers also more likely to face discrimination, precarious working arrangements and sub-standard working conditions including long hours, delay in payment of wages, dangerous conditions, absence of social protection and lack of basic occupational health and safety training.

23.3.8.1 Migrant Workers in Construction

There are no known reports of exploitation or abuse of international migrant workers in the construction industry in Guinea. However, general allegations of abuses in relation to migrant construction workers include abusive recruitment practices, low wages, withholding wages and passports, and denial of insurance coverage. Further, discrimination between local workers and migrant workers can occur and migrant workers may suffer from less effective labour and health and safety law enforcement, with authorities either turning a blind eye to their working conditions, or not having the required skills, linguistic or otherwise, to be able to analyse the condition of migrant workers.

Migrant Construction Workers

Companies are moving to Guinea for work from overseas and from elsewhere in Africa, accompanying the surge in investment in major infrastructure projects in resource rich sub-Saharan African countries. It is understood that companies from various parts of the world are likely to offer services to build worker camps, the railway and the mine and port facilities as well as other supporting infrastructure. In other countries Africa where workers have been hired by these companies from their own countries, there have been tensions linked to the high number of jobs taken up by foreign migrants and reports of extremely poor conditions including long working hours, low pay, low standard of health and safety and a poor record on workers’ rights (1).

23.3.8.2 Project Policies and Procedures

Under Rio Tinto's Global Code of Business Conduct, the Project is committed to provide a workplace free of discrimination or intimidation. Discrimination on the basis of race, gender, national origin, religion, age, sexual orientation, politics or any other personal characteristic protected by the law is prohibited in the global code of business conduct. A substantial part of the existing workforce is Guinean and, in accordance with the provisions of the 2002 Basic Agreement on local employment, the Project is committed to giving local workers priority in employment.

In relation to the construction of the Project, there are policies and procedures in place to ensure that the EPCM and other contractors are implementing adequate standards and procedures with respect to their workers including on wages and health and safety of workers.

23.3.9 Retrenchment

With the majority of Guineans engaged in work in the informal sector, many workers do not benefit from the protections included in the Labour Code (Art. 87 to 103) in the event of redundancy or restructuring (e.g. there is no consultation with unions or the Labour Inspectorate on retrenchment and notice of termination of employment is often not given). Though permanent formal sector workers should enjoy such protections, many companies have been reportedly using workers on successive fixed term contracts, preventing workers from accruing the benefit of working at a single enterprise over a period of time.

In addition, enforcement of laws around termination and severance in Guinea is mixed. Severance payments and other considerations in the event of redundancy are required by law and are generally observed, but in a number of cases identified, these are only paid after legal proceedings or investigations by the Labour Inspectorate.

### Working Arrangements and Retrenchment

Workers hired under successive fixed term contracts by companies in the mining sector will not enjoy the same level of protection as those hired on a permanent basis. The overuse of temporary labour for permanent jobs can expose projects to criticism for using fixed term labour to avoid paying benefits to workers (1).

In one case, three hundred mine employees were allegedly summarily dismissed in 2011 from their permanent contracts and offered temporary contracts at lower pay. The union representatives were among the dismissed. The dismissals were contested by union leaders and subsequently by the Labour Inspectorate. However, the reinstatement of the workers was not ordered.

#### 23.3.9.1 Project Policies and Procedures

Provisions, which accord with IFC PS2, are included in the sectoral collective bargaining agreement including information on selection workers to be dismissed and the requirement to set up a retrenchment plan and inform workers’ representatives (Art. 46). If circumstances occur which give rise to the requirement for fewer employees, the Project is committed to the following procedures:

- an analysis of alternatives to retrenchment;
- if there is no alternative, then the Project will develop a retrenchment plan based on worker consultation and the principles of compliance with national law and non-discrimination and consistent with the requirements of IFC PS 2; and
- the Project will ensure that any retrenchment procedure ensures that workers receive all sums due to them under national law and any collective agreement.

#### 23.3.10 Grievance Mechanism

Under Guinean law there is no requirement for employers to provide a grievance mechanism for individuals within the workplace. In addition, labour tribunals may fail to provide adequate remedies either at all, or in a timely fashion, and interviewees mentioned the corruption of the justice system and pointed to the need for strengthening the system and making it more rigorous (2).

#### 23.3.10.1 Project Policies and Procedures

Worker grievances can be raised with a direct supervisor or Human Resources officer. At present the number of complaints received is not recorded and the way complaints are handled is not yet formalised. However the informal procedure involves the employee relations manager hearing the grievance, with workers being entitled to be accompanied by trade union representatives to any such hearing.

In addition, Rio Tinto’s global programme “speak-OUT”, a confidential telephone service, allows employees to raise workplace concerns on issues such as discrimination, harassment, violence, health, safety and environment concerns, and legal or policy violations. This service is available to workers in Guinea in the form of a letterbox where workers can drop anonymous complaints written on free paper. The box is opened once per month in the presence of workers’ representatives and its contents are sent to In Touch, a provider of a confidential compliance hotline based in the United States which guarantees the anonymity of employees.

(2) In-country interviews – USTG and Labour Inspectorate.
complaints. Most complaints received in 2011 were related to compensation, benefits and health and safety issues.

Rio Tinto is committed to dealing with complaints raised through this programme within two days although there are sometimes difficulties in following up issues because of the anonymity provided by the process. In addition, Project employees can submit grievances or complaints directly to their workers’ representatives, who will present these complaints to the Human Resources Department and senior management during regular meetings.

23.3.11 Child Labour

The occurrence of child labour is high in Guinea, as it is in West Africa generally. Rural poverty, poor educational infrastructure combined with the lack of an effective labour regulation enforcement mechanism contribute to the high rate of child labour. According to the ITUC (1), the Guinean Labour Inspectorate is underfunded and there is no provision for a system of inspections targeted at detection of child labour. Enforcement of child labour laws tends to be limited to large, modernised companies. UNICEF estimates that 25% of children aged 5 to 14 were involved in some form of child labour during the period 2000-2009 (2).

Child labour occurred most frequently in the informal sectors of subsistence farming, small trade, and small-scale mining where children are employed to extract, transport, and clean the minerals (3). Overall, child labour is most prominent in agriculture where the risk of abuse is likely greater in rural areas due to a lack of enforcement.

Child Labour in Guinea

**Mining**: Children have reportedly been employed in small-scale mining, including gold, diamond granite, and sand. A 2006 study by the NGO AGRAAD reported that 45% of the workers at a gold mine were children ranging in age from seven to sixteen (4). A list of hazardous activities prohibited for children under 18 is available but not widely observed.

**Agribusiness**: In Guinea, most economically active children work in domestic service and agriculture. UNICEF estimates that around 88.5% of children in rural areas are subject to the worst forms of child labour (5). There is therefore a high risk to investors sourcing food locally of child labour as local food suppliers may source from farming and livestock operations where child labour is used.

23.3.11.1 Project Policies and Procedures

Rio Tinto’s global code of business conduct prohibits the use of child and forced labour. Although there are no specific policies or procedures on risk-assessment in place, recruitment procedures require that copies of workers’ identity cards are kept. In addition, Rio Tinto’s global procurement principles require contractors and suppliers to adhere to all applicable laws to prohibit employment of forced, bonded or child labour.

23.3.12 Forced Labour

There are few reports of forced labour in Guinea, though some organisations, including the ITUC, report that the practice occurs in domestic work and agriculture. In addition, Human Rights Watch alleges that some child domestic workers in Guinea may have arrived via trafficking rings (6). However, none of these reports

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indicate the practice is widespread and reports refer only to workers in informal agriculture and domestic work. Women, children and migrant workers are the most vulnerable to abuse.

The law on prison labour does not comply with international standards and the ILO Committee of Experts has expressed concern over the possibility that prisoners could be hired out to private companies in Guinea in remote sites without the consent of the prisoner (1).

23.3.12.1 Project Policies and Procedures

Rio Tinto’s global code of business conduct prohibits the use of forced labour and the global procurement principles require the same from suppliers and contractors.

23.3.13 Occupational Health and Safety

Guinea has not ratified ILO Convention No. 155 on Occupational Safety and Health and legislation in this area remains incomplete. The Labour Code contains general provisions regarding occupational safety and health, but in practice workplace health and safety standards have not been established. Health and safety issues are a key area of concern for trade unions (2).

The low level of skills and training in health and safety issues means that risks of accident and injury are high. In addition, the US Department of State reports that enforcement including of health and safety protocols was ‘sporadic’ (3).

In the construction sector, the prevalence of unskilled workers recruited on a short-term basis and the lack of training means that accidents and injuries are common.

23.3.13.1 Project Policies and Procedures

The Project operates and is continuing to develop a comprehensive Health and Safety Management System for the Project under the aegis of Rio Tinto’s corporate HSEQ Management System (see Volume V). As part of the current system, the Project has developed extremely robust policies and detailed procedures on health and safety. There is a substantial team in charge of health and safety including a training team that ensures that all workers have received basic induction and training in this field. In addition, the Project plans to open craft training centres, to provide basic training including in health and safety, to workers engaged during construction of the Project. This system will apply throughout construction and operation and all contractors will be required to implement their own systems to ensure compliance with the Project’s strict standards and procedures.

In engaging all contractors, the Project will ensure that the contractors are both aware of the required standards on health and safety and also have the capacity and procedures to ensure that these procedures are implemented in respect of all workers who are working on the Project.

23.3.14 Workers Engaged by Third Parties

The rules which an employer adopts in relation to its own direct employees can be very different to the way in which short term temporary workers engaged through contractors or other intermediaries are treated.

In mining and major construction projects, the use of large pools of workers engaged through subcontractors is very common, as this allows for increased productive capacity and flexibility. Contractors often provide specialist skills or access to defined pools of labour and subcontracting is considered key to the successful

(2) Interviews in-country – USTG
completion of many projects. However, research and experience suggest that the use of contractors can lead to a deterioration of terms of employment and have a profound effect on safety and health at the workplace. As noted by the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) in its briefings on contract and agency labour (1), contract labour in the mining sector is becoming widespread. As a result agency, temporary, and outsourced workers, can lose out in various areas, including salary levels, health and safety, ordinary job benefits, vocational training, job protection and the practical enjoyment of trade union rights.

In Guinea, workers engaged by big international companies with high standards and developed human resources practices and procedures are more likely to see their rights upheld and benefit from good terms and conditions. Conversely, workers working for small and medium size contracting companies with lower standards and little capacities in the field of human resources, are more likely to be facing poor working conditions including long hours, lack of social protection and also suffer intimidation including dismissal from employers who are often reluctant to see their workforce becoming organised (2).

In addition, there are reports of abusive practices including supply of workers recruited under poor terms and conditions by outsourcing to sub-contracting companies, including wages as low as 316 000 Guinean Francs per month (3).

<table>
<thead>
<tr>
<th>Labour Conditions and Contractors</th>
</tr>
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<tbody>
<tr>
<td><strong>Mining sector</strong>: In 2009, mineworkers employed by one company carried out a strike over poor working conditions linked to the company’s practice of outsourcing of labour from around 120 third-party labour suppliers. According to ICEM, the new pro-union government of Guinea investigated the strike and eventually the company’s top manager was expelled from Guinea (4).</td>
</tr>
<tr>
<td><strong>Construction and infrastructure</strong>: As the ILO noted in 2001 (5) construction contract workers are more likely to be employed on a short-term basis, with no insurance against periods of unemployment or sickness, lack of social protection and access to social dialogue, low wages (below minimum wages) and long hours. Another report from the ILO (2005) on a contractor in Africa (6) suggests that some projects had exceptionally low standards with long working hours, low pay, low safety and health standards, and poor workers’ rights.</td>
</tr>
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</table>

### 23.3.14.1 Project Policies and Procedures

The Project will use a range of national and international contractors, subcontractors and suppliers, including a lead EPCM, who will manage all construction for the Project. As noted above, all contractors will be required to operate thorough management systems that include robust requirements in the field of employment, health and safety and labour rights. Contractors working on the Project are also required to conform to the defined Internal Rules and recruitment procedures.

The Project's procurement team is in charge of assessing the performance of contractors, subcontractors and suppliers through a thorough prequalification process during procurement. Performance is then audited and monitored on a regular basis for compliance with the Project’s requirements for suppliers. This is

(3) Interviews in-country – USTG and Worker representatives
particularly relevant for labour providers for which specific audits are conducted and to ensure that wages and social security contributions are paid.

### 23.4 Assessment and Mitigation of Risks and Impacts

#### 23.4.1 Overview

In the field of labour and working conditions, assessing potential Project impacts requires analysing the possibility that workers involved on the Project, either directly or through contractors and suppliers, will not enjoy the benefit of the rights and entitlements provided for in law, collective bargaining agreements, contracts of employment and other applicable standards (notably IFC PS2) related to employment, health and safety and workplace conditions. In this chapter the assessment of risk to workers (that is the possibility that they may be treated in a way which is in breach of the identified standards, predominantly national law and IFC PS2) is assessed and followed by consideration of mitigation measures to manage the identified risks. The final assessment then considered whether there is likely to be any residual risk of impact to the enjoyment of the rights of workers once these mitigation measures are implemented, taking into consideration whether the risk is now as low as reasonably practicable (ALARP).

Among the range of risks faced as part of the Simandou Project, there are likely to be significant differences in the enjoyment of rights and good working conditions between workers engaged for construction works and those engaged for operation activities, and also between workers employed directly by the Project, those employed by contractors through the EPCM, and those employed in the supply chain and providing goods and general services to the Project.

The assessment addresses each of the topics covered in the preceding section in turn, examining first the level of risk prior to mitigation, then identifying the proposed mitigation measures and the residual risk of impact after mitigation (1). The assessment of risk of breaches of labour standards or other negative impacts applies to both Project employees (ie those employed directly by Rio Tinto and Simfer), contractor employees (ie employees of contractors and subcontractors engaged in construction or operation) and supply chain employees (ie those working for enterprises supplying the Project with goods and services). Risks may apply to all groups, although the risk of breaches of labour standards will typically be greater in contractor and supply chain organisations than it will for Project employees, because they are not directly under the control of the Project and also are less likely to be covered by formal industrial relations systems. This is reflected in the assessments below. All standards and mitigation measures described in Sections 23.4.2 to 23.4.13 will be applied equally to Project and contractor employees.

Risks associated with workers employed by suppliers of goods and services (as opposed to contractors supplying labour) and associated mitigation measures are dealt with in Section 23.4.14. For workers employed by suppliers, the scope of the assessment is limited to child labour, forced labour and life threatening health and safety issues, as these are the issues which are required to be assessed in relation to IFC PS2.

To ensure that the mitigation measures for protection of workers are applied to all Project personnel through all project phases, the Project will:

- consider human resources, labour rights and labour relations issues in pre-qualification of contractors and suppliers, taking into account the size and nature of the companies likely to apply for prequalification;

- include specific assessment of recruitment practices for companies using high levels of unskilled labour and companies coming from countries where a specific risk has been identified;

(1) Note this structure differs from other chapters in that mitigation measures and residual risks are discussed in relation to each type of risk in this section rather than being addressed in a separate Section 23.5. This is because measures tend to be specific to each type of labour issue.
• work with the EPCM and contractors to ensure adequate resources and technical knowledge to cover issues relating to labour rights and working conditions;

• work with the EPCM and contractors to ensure development of appropriate policies and procedures and in particular covering working conditions, non-discrimination and grievances;

• ensure that its grievance mechanism is adequately communicated to workers at the time of recruitment; and

• develop a detailed monitoring framework to capture information on labour and working conditions of workers engaged in the Project.

In addition to the risks of negative impacts on workers’ enjoyment of rights and decent working conditions associated with the specific labour environment in Guinea (poor working conditions, prevalence of discrimination etc), there are risks inherent to the Project itself and, in particular its size. In the absence of adequate state monitoring and enforcement mechanisms, the likelihood of breaches of worker rights depends primarily on the implementation by companies of adequate policies and procedures. Any adverse labour and working conditions will be significantly mitigated by adherence to national law, international standards, the requirements of IFC PS2, collective bargaining agreements and contracts of employment, and establishment and operation of management systems to guarantee that workers and contracted workers benefit from these rights. The following sections describe how the Project will respond to these requirements.

Where appropriate the Project will consider ways to support capacity building in the Labour Inspectorate so that it is better equipped to monitor and enforce compliance with Guinean law within the Project and elsewhere.

23.4.2 Human Resources Policies and Procedures

23.4.2.1 Assessment

The rapidly expanding Simandou workforce will lead to challenges for the Project and EPCM Human Resources Departments in developing, implementing and communicating human resources policies and procedures to all directly employed and contracted workers. Evidence from the mining sector indicates that if this team is not adequately equipped to respond this could have a potentially negative impact on workers who may not be aware or enjoy the full benefits of the rights those policies and procedures aim to guarantee. Problems for workers could be particularly severe for those employed by subcontractors who may not come under the direct control of the Project and its EPCM.
Evaluation of Risk Prior to Mitigation

Magnitude:
- Extent: the risk of a failure to implement appropriate policies and procedures will relate to all workers but will have a greater impact in relation to those employed by contractors. Larger numbers will therefore be affected during construction.
- Probability: an adverse effect on workers’ rights or other negative impact is likely to occur without measure to manage the risk.

Vulnerability: Project employees will have several means to claim their rights and benefits, in particular through complaints addressed to their representatives, the Project grievance procedure and legal redress. As a consequence, vulnerability is low for Project employees.

Where workers are employed by contractors, there is a greater risk that local and overseas companies used during construction will have inadequate human resource policies and procedures and a lack of capacity to deal with human resource issues, and, as a consequence, vulnerability will be medium for contractor employees.

Risk prior to mitigation: moderate negative during construction and minor negative during operation.

23.4.2.2 Mitigation and Enhancement Measures

The development and application of rigorous human resource policies within the Project and its contractors will have positive impacts for not only for the enjoyment of the rights and quality of work anticipated by national law and international standards, but also for the commercial sustainability of the Project. To ensure Project workers are aware of relevant human resources policies and procedures, the Project will:

- review and adapt human resources policies and procedures to ensure their smooth implementation throughout the Project’s life and ensure that the EPCM applies the same principles through its organisation and those of its subcontractors;
- continue to develop the resources and capacity of the Human Resources Department;
- communicate the internal regulations (Règlement intérieur), the collective bargaining agreement and relevant policies to all workers at the time of their recruitment and annex these regulations and documents to workers’ contracts of employment;
- strengthen the promotion and communication of human resources policies, in particular regarding discrimination on grounds of gender or ethnicity, sexual harassment and freedom of association;
- liaise with the training team to include information about workers’ rights and benefits in the induction sessions given to all new starters included workers with low literacy rates;
- develop awareness modules on workers’ rights and obligations in collaboration with relevant trades unions.
- work with its contractors to develop support for HR capacity and policies, including requirements on contents of contractor’s HR policy and the roles and responsibilities of their Human Resources Departments; and
- undertake monitoring of implementation and regular audits of the Project’s own procedures and those of contractors.
23.4.2.3 Residual Impact

With implementation of the mitigation measures during construction and operation, and their application to all Project and contractor employees, there will be no significant risk of residual impact from inadequate human resources policies and procedures.

23.4.3 Working Hours and Leave

23.4.3.1 Assessment

While long working hours and overtime paid at a premium will potentially have a positive impact on livelihoods of workers, such practices could have a negative impact on their enjoyment of working conditions in accordance with national law and international standards, create a risk to their health and safety and have negative impacts on their social and family lives. The construction schedule is likely to lead to the requirement for working long hours.

Evaluation of Risk Prior to Mitigation

Magnitude:
- Extent: the extent of the likely impact will be experienced by a large number of employees working on the construction phase of the project. There will be less irregular working and long hours during operation.
- Probability: the impact is likely to occur.

Vulnerability: Workers have little choice in whether they work additional hours when requested to do so, particularly where they are working for contractors in remote locations and/or are migrant workers. As a consequence, receptor vulnerability is high.

Risk prior to mitigation: major negative during construction; not significant during operation.

23.4.3.2 Mitigation and Enhancement Measures

To manage working hours, the Project will:

- employ an appropriate number of workers to avoid undue pressure on hours worked by employees; and
- assert rules around working hours and exercise control of overtime, and any payment of overtime premiums, to ensure that the limits set in the law and company policy are understood and respected.

For contractor employees the Project will:

- ensure contractors have adequate policies and procedures on working hours and the use of overtime;
- develop mechanisms to monitor the correct implementation by contractors of procedures on hours and overtime;
- develop key reporting indicators on hours for contractors (number of hours worked, volume of overtime by category of personnel);
- periodically assess whether its requests and targets for performance by contractors are responsible or contribute to any identified patterns of non-compliance with hours legislation;
- include questions on working hours in any audits conducted at contractors; and
• ensure that all workers understand that they may lodge grievances or contact trade union representatives in relation to excessive working hours.

### 23.4.3.3 Residual Impact

With implementation of the mitigation measures during construction and operation, and their application to all Project and contractor employees, there will be **no significant** risk of residual impact from inappropriate working hours and leave.

### 23.4.4 Wages and Benefits

#### 23.4.4.1 Assessment

Although wages for directly employed permanent and fixed-term workers on the Project have been negotiated with union representatives, there is a risk that the Project would have a negative impact on employees if wages were not updated regularly to take into account external factors such as inflation. In addition there would be a risk of negative impact if unskilled daily workers were employed and did not receive a wage sufficient to meet their basic needs and provide some discretionary income. Similarly, there are risks of negative impacts and non-compliance with national and international standards arising from the use of migrant workers, who may have little knowledge of prevailing local wage levels or likely living costs. There are also risks that some workers may not benefit from adequate overtime payments because of the potential difficulties in obtaining supervisors’ sign-off for hours worked beyond the limit of the law.

<table>
<thead>
<tr>
<th>Evaluation of Risk Prior to Mitigation</th>
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<tbody>
<tr>
<td><strong>Magnitude:</strong></td>
</tr>
<tr>
<td>• Extent: the extent of the impact will cover a significant number of workers. The potential risks of negative impacts will arise in relation to construction and operation.</td>
</tr>
<tr>
<td>• Probability: the impact is likely to occur.</td>
</tr>
<tr>
<td><strong>Vulnerability:</strong></td>
</tr>
<tr>
<td>Widespread poverty and extremely high levels of unemployment typically make daily wage workers unlikely to have any power over the wages they are offered, particularly where they are working for sub-contractors in remote locations and/or are migrant workers. As a consequence, receptor vulnerability is high. In relation to payment of overtime, the Project employees’ vulnerability is low to medium.</td>
</tr>
<tr>
<td><strong>Risk prior to mitigation:</strong></td>
</tr>
<tr>
<td>major negative during construction; minor to moderate negative during operation.</td>
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#### 23.4.4.2 Mitigation and Enhancement Measures

The negotiation of wages and benefits with trade union representatives and their correct implementation provides an opportunity for positive impact on workers beyond the requirements of the law and applicable collective bargaining agreements applicable in the mining sector. In relation to wages and benefits, the Project will:

• ensure timely payment of wages and benefits and provide payslips to all workers;

• avoid the use of daily workers as far as possible;
• review the daily worker rate to ensure that it allows workers to meet basic needs (housing, energy, nutrition, clothing, health care, education, potable water, childcare and transportation) and provide some discretionary income \(^{(1)}\);

• benchmark the daily worker rate against the wages of permanent unskilled workers in the Project and other companies;

• allow daily workers to select their own representatives to negotiate on their behalf and ensure their workplace concerns can be raised;

• participate in surveys of wages in the industry and areas of operation using interviews with local communities and workers;

• gathering, in coordination with relevant partners, data on basic food and energy and housing prices to understand how income is used and use an internationally accepted methodology to determine the poverty line and the level of living wages;

• develop a mechanism for regular review of wages in consultation with workers’ representatives and based on a series of objective criteria; and

• review working hours sign-off procedures to avoid difficulties for workers in obtaining supervisor sign-off on timesheets.

For contractor employees the Project will:

• ensure that contractors have developed adequate policies and procedures on wages including detailed wage structure and that these policies and structures are communicated to the Project; and

• develop mechanisms to monitor the correct implementation by contractors of procedures on wages and benefits. This will include the following:
  • development of key reporting indicators on wages for contractors (details of wages paid by category of personnel, regularity of payment \(etc\));
  • inclusion of questions on wages in any audits conducted at contractors; and
  • review of documentation related to payment of wages.

23.4.4.3 Residual Impact

With implementation of the mitigation measures during construction and operation, and their application to all Project and contractor employees, there will be no significant risk of residual impact from inadequate wages or benefits to workers.

23.4.5 Workers’ Accommodation

23.4.5.1 Assessment

During construction, the Simandou Project will require a level of skills and a number of workers exceeding the capacity of the workforce available from local communities or in Guinea. The majority of construction workers will therefore be foreign and, because of the remoteness of construction activities, the majority (>70%) will be accommodated in approximately 30 workforce accommodation camps and logistical supply centres. There will be risks associated with the living conditions within these camps especially in more remote locations and the presence of workers from different cultures and ethnic backgrounds, has the potential to lead to tensions between workers. In very restricted circumstances, some limitations on workers’

\(^{(1)}\) Taken from references in ILO Conventions 26 and 131 on Minimum Wages, and from the ILO Constitution and ILO Declaration on Social Justice for Fair Globalisation (2008).
freedom of movement may be put in place where this is shown to be necessary to manage community impacts and security risks.

Further information and description of the camps and their potential impacts is included in the separate SEIA prepared under the Simandou Early Works programme which was approved by the Minister Delegate for the Environment, Water and Forests in December 2011 (1).

During operation, the number of foreign workers will decline as the Project pursues its policy of developing a largely Guinean workforce. Most will live in local communities (some in new housing provided by the Project) but a small proportion (foreign workers employed on a rotational basis and shift workers) will be employed on a rotational basis and live in permanent staff housing planned near Forécariah.

### Evaluation of Risk Prior to Mitigation

**Magnitude:**
- **Extent:** the extent of the impact will be experienced at a local geographical level, for a limited number of workers and only in relation to the construction phase.
- **Probability:** the impact is likely to occur.

**Vulnerability:** The majority of construction workers will live in camps provided by their employers (the construction contractors and EPCM) and will have no choice of accommodation, in particular where worksites are in remote locations. As a consequence, receptor vulnerability is high. Most operational employees will live in their own homes and their vulnerability is therefore low.

Risk prior to mitigation: **moderate negative** during construction and **not significant** during operation.

#### 23.4.5.2 Mitigation and Enhancement Measures

To manage risks associated with housing for construction workers and camp accommodation for operations staff, the Project will:

- design and operate accommodation camps in accordance with international good practice on workers’ accommodation, and IFC / EBRD standards (2);
- adopt detailed clear, non-discriminatory, internal accommodation rules including disciplinary procedures;
- ensure that grievance and conflict resolution mechanism are available to all workers living in camp accommodation;
- ensure that all workers are made aware of their rights and obligations in camps; and
- where appropriate, consult workers and their representatives on internal rules and policies and provision of facilities.

For its operational workforce the Project will develop and implement a housing and infrastructure strategy based on best practices and in consultation with the workforce and local communities.

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(2) International Finance Corporation/European Bank for Reconstruction and Development (2009); Workers’ accommodation: processes and standards; A guidance note by IFC and the EBRD.
23.4.5.3 Residual Impact

A residual minor positive impact is expected arising from the provision of sustainable quality accommodation on the camps and in long term worker housing.

23.4.6 Workers’ Organisation - Trade Unions, Freedom of Association and Collective Bargaining

23.4.6.1 Assessment

Despite the fact that some aspects for union consultation are spelled out in the law, the scope of issues that can be discussed or negotiated with union representatives is not fully defined in the law or in the mining sector collective bargaining agreement or at company level. If regular consultation with workers cannot be achieved this would have a negative impact on union representatives and the workers they represent who will not receive the information needed for meaningful representation in a timely manner, as per the requirements of IFC PS2.

Some contractors, in particular smaller contractors, can have a negative attitude towards trade union representation within their companies. There is therefore a risk related to freedom of association and the right to collective bargaining. International contractors may bring their own specific attitudes to labour representation based on their own national circumstances.

Evaluation of Risk Prior to Mitigation

Magnitude:
- Extent: the extent of the impact will be experienced across all workers, with a particular focus on those employed by contractors during construction. During operation the organisation of workers' representation is expected to become more stable.
- Probability: the impact is likely to occur.

Vulnerability: Although some trade union representatives' lack capacity and experience in the field of industrial relations, their influence can be important at company level. Further, there is a collective bargaining agreement in relation to mining sector employment and developing grievance mechanisms. As a consequence, vulnerability is low for direct employees and during operations. Conversely, weak enforcement mechanism in the field of labour rights in Guinea means that contractor workers and during construction may have little to no means to secure their rights. As a result their vulnerability is high.

Risk prior to mitigation: major negative during construction and minor negative during operation.

23.4.6.2 Mitigation and Enhancement Measures

The risk of infringement of workers’ rights to representation will be mitigated by creating an environment favourable to the development of healthy worker / management relationships based on workers representation, consultation and participation, and strengthening the capacities of union representatives to act on behalf of those who they represent, the Project will:

- continue to promote an open dialogue with trade union representatives;
- continue to take measures to support trade union representatives’ understanding of their role and to develop their capacities in the field of labour rights and negotiation;
- formalise further the procedures around communication and exchange of information with union representatives to ensure that information needed for meaningful discussion or negotiation is received in a timely fashion; and
- develop a framework to determine areas for consultation with trade union representatives.
For contractor employees the Project will:

- ensure that contractors have designed adequate policies on trade unions and will not restrict or discourage workers from forming or joining unions; and

- work with the EPCM, trade unions, contractors and relevant public officials to discuss employment issues related to the contracted construction workforce.

23.4.6.3 Residual Impact

With implementation of the mitigation measures during construction and operation, and their application to all Project and contractor employees, there is no significant risk of residual impact from inadequate worker’s representation.

23.4.7 Non-Discrimination and Equal Opportunity

23.4.7.1 Assessment

In a national context where gender and ethnic discrimination is prevalent and where the legislative framework is insufficient, and in the absence of specific communication and training on discrimination issues at company level, there is risk that Project and contractor employees during all phases of the Project, and in particular women and workers from ethnic minorities, will not benefit from adequate protection against discrimination.

<table>
<thead>
<tr>
<th>Evaluation of Risk Prior to Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Magnitude</strong></td>
</tr>
<tr>
<td>Extent: the extent of the impact will be experienced particularly by women and vulnerable workers and will occur through all phases of the project. However, issues related to migrant workers will particularly occur in respect of construction.</td>
</tr>
<tr>
<td>Probability: the impact is likely to occur.</td>
</tr>
</tbody>
</table>

Vulnerability: Women and workers from ethnic minorities are vulnerable, even though complaints and grievance procedures can be used. As a consequence, receptor vulnerability is medium to high.

Level of risk prior to mitigation moderate to major negative in all phases.

23.4.7.2 Mitigation and Enhancement Measures

To minimise the risk of discrimination in the Project and contractor workforce the Project will:

- communicate its discrimination policies, in particular with regard to gender and ethnic discrimination and migrant workers;

- ensure its grievance mechanism has personnel trained to receive complaints from women regarding sexual harassment;

- keep under review the need to monitor wages received by female and male workers; and

- ensure policies and procedures on non-discrimination and equal opportunity cover aspects of recruitment, termination, working conditions and terms of employment.
23.4.7.3 Residual Impact

With implementation of the mitigation measures during construction, and operation, and their application to all Project and contractor employees, there will be no significant risk of discrimination or ignorance of equal opportunities.

23.4.8 Migrant Labour

23.4.8.1 Assessment

Large numbers of foreign workers are expected to be employed by international contractors during construction of the Simandou Project. The use of international contractors raises the risk of relatively weaker standards being applied. Language barriers could lead to difficulty in monitoring working conditions and dealing with grievances, both by state officials and the Project. This would give rise to risks of negative impacts on contracted workers who could as a result not benefit from adequate labour and working conditions and fail to enjoy their rights as set out in national law and Project and IFC standards and guidelines.

Evaluation of Risk Prior to Mitigation

Magnitude:
- Extent: the extent of the impact will be experienced in relation to a yet to be determined number of workers. This will particularly be focussed on the construction phase.
- Probability: the impact is relatively likely to occur.

Vulnerability: Migrant workers are the one of the most vulnerable group of workers. Language barriers or fear of retaliation make them particularly unlikely to defend their rights and bargain for better conditions. As a consequence, receptor vulnerability during construction is high. During operation foreign workers are likely to be mainly expatriate Project employees and their vulnerability is low.

Risk prior to mitigation: major negative during construction; not significant during operation.

23.4.8.2 Mitigation and Enhancement Measures

To minimise risks to migrant workers especially during construction the Project will:

- develop a specific reporting framework to manage and monitor the use of migrant workers by international contractors and gather information on their terms and conditions;
- require frequent audits of working conditions of workers employed by contractors, including worker interviews; and
- require that a grievance mechanism is available to the migrant workers either through the Contractor or the Project, and that the Project receives regular reports on grievances for Contractors that have their own procedure (see also Section 23.4.10).

23.4.8.3 Residual Impact

With implementation of the mitigation measures during construction, and operation, and their application to all Project and contractor employees, there will be no significant risk of residual impacts to migrant labour.
23.4.9 Retrenchment

23.4.9.1 Assessment

The workforce needs over the lifetime of the port operations mean that retrenchment is unlikely to be an issue for many years to come. At some point in the future the port will be transferred from the special infrastructure company established for the Project to the Republic of Guinea for continuing operation once mining has ceased. At this time transfer of labour could lead to a need for retrenchment of staff. The complexities inherent in implementing retrenchment procedures on a large scale create a risk for the workers losing livelihoods, and absence of adequate protection and severance payments.

Evaluation of Risk Prior to Mitigation

Magnitude:
- Extent: the extent of the impact will be experienced in relation to directly employed long-term workers who may experience adverse changes on handover of the port operations to state control.
- Probability: the likelihood of impact is medium.

Vulnerability: Employees have means to claim their rights and benefits, notably through their union representatives who will be informed and consulted on any retrenchment plan. Receptor vulnerability is medium.

Risk prior to mitigation: not significant during construction and operation unless Project operations have to be scaled back at any stage.

23.4.9.2 Mitigation and Enhancement Measures

The Project will:

- undertake an orderly handover of the port workforce to the new operators, in accordance with a planned approach;

- where changes in employment conditions or reductions in the port workforce are anticipated, develop and apply a retrenchment plan based on IFC PS 2, including: seeking alternatives to retrenchment, consultation with workers, non-discrimination, compliance with national law and collective bargaining agreements, and ensuring that all relevant payments are made to workers (1);

- address the need to retain a skilled workforce through to the end of the operation and at the same time provide skills and opportunities for employees to transition to other employers or careers;

- reduce the workforce following good international practice on labour retrenchment;

- ensure that human resources staff have received adequate information and training to manage the retrenchment correctly;

- if the retrenchment is envisaged to be significant, undertake a social impact assessment to analyse the potential adverse impacts on the community to assist with the retrenchment planning;

- develop and implement communication timetables to prepare employees and the broader community of Project phase transitions and implications for direct, indirect, and induced employment. (Communication

activities with the broader community will be included in the Project Stakeholder Engagement Plan.; and

- undertake assessments of the Project supply chain (including both indirect and induced businesses) prior to the next phase to determine regional and local economic linkages with the Project. Following those assessments, the Project will develop appropriate responses to support businesses’ capacity to meet new demands or expand into alternative markets (eg industry referrals, access to finance, vocational training for Small and Medium Enterprises).

23.4.9.3 Residual Impact

With implementation of the mitigation measures during port construction and operation, and their application to all Project and contractor employees, retrenchment will cause no significant inopportune risks.

23.4.10 Grievance Mechanism

23.4.10.1 Assessment

Even with the best policies and practices there is always a risk that the Project may cause or contribute to negative impacts on workers’ rights that are not foreseen or cannot be prevented. Workers whose rights are negatively impacted by Project activities need to have access to remedies. In this context, if a grievance procedure was not formalised and communicated this would have a negative impact on workers who would not to be able rise grievances and have them properly addressed. This would be of particular concern for contractor employees and during construction.

<table>
<thead>
<tr>
<th>Evaluation of Risk Prior to Mitigation</th>
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</thead>
<tbody>
<tr>
<td><strong>Magnitude:</strong></td>
</tr>
<tr>
<td>- Extent: the extent of the impact that will be experienced is widespread covering all workers. It will exist during all Project phases.</td>
</tr>
<tr>
<td>- Probability: the impact is likely to occur.</td>
</tr>
</tbody>
</table>

Vulnerability: When trade unions are present in the company, workers have other means to raise their concerns or complain. As a consequence, receptor vulnerability is low for directly employed workers. When there may be no trade unions, in particular where employment is through contractors during construction, receptor vulnerability is medium to high.

Risk prior to mitigation: moderate to major negative during construction; minor negative during operation.

23.4.10.2 Mitigation and Enhancement Measures

To ensure an adequate approach to managing grievances is available to its own workers the Project will:

- establish and operate a Grievance Procedure designed to receive and respond to all concerns of internal and external stakeholders. This will resolve concerns promptly, using an understandable and transparent process that is culturally appropriate and readily accessible. Grievances will be addressed with no cost to the party that raised the concern and without retribution. The mechanism will also not impede access to other judicial or administrative remedies available to affected parties.

23.4.10.3 Residual Impact

With implementation of the mitigation measures during construction and operation, and their application to all Project and contractor employees, there will be an adequate grievance procedure in place and there should be no significant residual impacts to worker’s rights.
23.4.11 Child Labour

23.4.11.1 Assessment

No children under the minimum working age of 16 are currently reported as being engaged by the Project and its contractors or will be permitted to be employed in future. However, it is possible that young workers under the age of 18 could become economically involved at some stage of the Project, in particular during the construction when unskilled local workers will be employed by contractors. In the absence of effective risk-assessment procedures and a monitoring mechanism for contractors, there is a risk that young persons under the age of 18 could work in conditions which are inappropriate for their age and / or dangerous. Due to the prevalence of child labour in agriculture, there is also a risk that children could be engaged by suppliers in the production or supply or food to the Project (see also Section 23.4.14). This would have a negative impact on those children and their right not to work under national law and international standards. It may also have a negative impact on their education and their enjoyment of childhood.

**Evaluation of Risk Prior to Mitigation**

**Magnitude:**
- Extent: the extent of the impact will be limited in terms of numbers of workers and will relate particularly to supply chain issues, particularly in relation to short term construction contracts, although there may be issues in relation to the operations phase of the project.
- Probability: the impact is less likely to occur.

Vulnerability: Children working in the food supply chain are very vulnerable. The same applies to young people working in construction. As a consequence, receptor vulnerability is high.

Risk prior to mitigation: moderate negative.

23.4.11.2 Mitigation and Enhancement Measures

To avoid any risk to children in connection with the Project, the Project will:

- develop an explicit policy consistent with the requirements of IFC PS2 on minimum work age and procedures on workplace conditions specific to those under the age of 18;
- develop procedures for monitoring of health, safety, working conditions and hours of work for children between 16 (minimum age for employment in Guinea) and 18 years of age;
- develop a mechanism to monitor the supply chain for child labour on an on-going basis; and
- prepare and implement urgent remedies if child labour is found in the supply chain.

23.4.11.3 Residual Impact

With implementation of the mitigation measures during construction and operation, and their application to all Project and contractor employees, there will be no significant risk of inappropriate child labour.

23.4.12 Forced Labour

23.4.12.1 Assessment

In major construction projects the use of international construction contractors, recruiting a large pool of migrant workers through international labour brokers can introduce the risk of practices which include extortionate presentation fees, passport retention, and intimidation. If these were to occur they would have a negative impact of those workers, who may find themselves working under conditions which amount to
involuntary or forced labour and therefore do not enjoy the rights afforded to them by international and national standards.

**Evaluation of Risk Prior to Mitigation**

**Magnitude:**
- **Extent:** the extent of the impact will be limited in terms of the number of workers and will be focussed in relation to contractors during construction.
- **Probability:** the impact is unlikely to occur.

Vulnerability: Migrant construction workers are the most vulnerable group of workers. As a consequence, receptor vulnerability during construction is high. During operation when most workers will be local formally employed Project employees vulnerability is low.

Risk prior to mitigation: **moderate negative** during construction; **not significant** during operation.

23.4.12.2 **Mitigation and Enhancement Measures**

To avoid any risk of forced labour, the Project will:

- develop due diligence procedures to assess and monitor the recruitment practices of contractors;
- monitor labour and working conditions, with specific attention to contractors using large numbers of migrant workers; and
- implement immediate corrective action if forced labour is discovered.

23.4.12.3 **Residual Impact**

With implementation of the mitigation measures during construction and operation, and their application to all Project and contractor employees, there is **no significant** risk of residual impact from forced labour.

23.4.13 **Occupational Health and Safety**

23.4.13.1 **Assessment**

Given the nature and scale of the Project and the use of large numbers of contractors, protecting the health and safety of Project and contractor employees and proper implementation of procedures with respect to training, monitoring and enforcement, will be challenging during construction and operation. Health and safety issues are top of the agenda in Rio Tinto and the Project is fully committed to protecting the health and safety of all workers. Nevertheless any difficulties in meeting the Project’s strict standards would have a negative direct impact on workers in terms of their safety and health.
Evaluation of Risk Prior to Mitigation

Magnitude:
- Extent: the extent of the impact will be experienced will be significant in terms of number of employees and will apply in relation to all phases of the project.
- Probability: the impact is likely to occur.

Vulnerability: In relation to contractors, there is a risk that workers would have no choice but to keep working despite the lack of adequate training in occupational health and safety or use of personal protective equipment. As a consequence, receptor vulnerability is high. In relation to directly engaged workers there will be a culture of respect and responsiveness on safety issues and the receptor vulnerability will be medium.

Risk prior to mitigation: major to critical negative during all phases.

23.4.13.2 Mitigation and Enhancement Measures

The Project’s approach to health and safety means that standards beyond the requirements of current national law will apply and all workers will be provided with training in health and safety. This will have a positive impact on all workers, and will provide wider benefits in engendering improved attitudes to health and safety and a culture of stricter compliance in Guinea.

In line with Rio Tinto policy the Project is committed to an incident and injury free workplace and to protecting the health and well-being of Project and contractor employees. To this end the Project will adopt and implement all company policies, standards, programmes and targets during all Project phases and will apply these to all employees and contractors. These include but are not limited to:

- The way we work (see Annex 1D);
- Rio Tinto Safety Policy;
- Rio Tinto Health Policy;
- Rio Tinto Human Rights Policy;
- Rio Tinto Safety Performance Standards; and
- Rio Tinto Health Performance Standards.

This will build upon the significant effort invested in developing the existing Simfer management system currently operating within the Project. In developing the system the Project recognises that a successful safety culture will be substantially different from that which exists in Guinea at present.

The Project will develop Health and Safety Plans with the goals of:

- developing the organisation in order to achieve Zero Harm;
- demanding visible leadership, with clear accountabilities, that encourages effective employee, contractor and supplier participation in achieving its goals;
- strengthening the capability of employees and contractors to recognise and control the potential impact of their activities;
- identifying, controlling and monitoring health and safety risks in development, construction and operational areas;
- ensuring the risk-based objectives, targets and actions are set, reviewed and integrated into business planning and decision-making processes;
• providing and developing adequate resources and expertise to manage health and safety performance;
• striving to implement the best available practices and technology to deliver health and safety excellence;
• building from a foundation of compliance with applicable legal and other requirements; and
• working on the ongoing improvement of management systems and work practices.

The Project will work to continuously improve health and safety performance for the benefit of Project personnel and local communities.

23.4.13.3 Residual Impact

With implementation of the mitigation measures during construction and operation, and their application to all Project and contractor employees, there will be no significant risk of residual impacts on inadequate health and safety provisions.

23.4.14 Workers Engaged by Third Parties

23.4.14.1 Assessment

This section focuses on workers employed by enterprises providing goods and services to the Project that is in the Project supply chain. It excludes contractor employees working directly in the construction and operation of the Project who are covered directly in each of the preceding subsections.

The Project has high standards that it expects its suppliers to meet. Existing procedures to assess and monitor suppliers are likely to have a positive impact on labour and working conditions as they are likely to improve their standards and procedures to comply with the Project’s requirements. However, achieving a healthy and safe working environment will be challenging, in particular when suppliers lack resources and expertise. In such cases, there is likely to be a negative impact on workers employed by suppliers in terms of their health and safety, working conditions and broad rights under the law.

### Evaluation of Risk Prior to Mitigation

**Magnitude:**
- **Extent:** the extent of the impact will be limited and particularly focussed on workers engaged on providing goods during the construction phase.
- **Probability:** the impact is likely to occur.

**Vulnerability:** Workers working for contractors are unlikely to be aware of all the requirements that their employers are supposed to respect and have little choice but to work under the conditions offered. As a consequence, receptor vulnerability is high.

Risk prior to mitigation: critical negative in all phases.

23.4.14.2 Mitigation and Enhancement Measures

Improvement in labour and working conditions in suppliers (in particular with respect to health and safety, child labour and forced labour) will be achieved by applying robust Project requirements in selection, appointment and monitoring of suppliers. These actions will bring benefits to workers in companies providing goods and services to the Project and improve the culture of compliance. Actions to address child and forced labour amongst suppliers will be addressed through the measures described in Sections 23.4.11 and 23.4.12.
23.4.14.3 Residual Impact

With implementation of the mitigation measures during construction and operation, and their application to all Project and contractor employees, there will be \textit{no significant} risk of residual impacts from inappropriate employment of workers by third parties.

23.5 Summary of Findings

The results of the assessment are summarised in Table 23.2. With full implementation of the policies and procedures detailed above to all Project and contractor employees, including compliance with existing national law, the Project’s internal regulations and Basic Agreement, the Guinean mining sector collective bargaining agreement, and Rio Tinto’s global code of business conduct, there should be \textit{no significant} impacts on workers as a results of inadequate labour and working conditions during construction and operation of the Project. Careful selection, contracting, monitoring and auditing of companies supplying goods and services to the Project should ensure that there are \textit{no significant} impacts associated with child or forced labour or life-threatening safety for workers in the Project supply chain.
## Table 23.2 Summary of Findings

<table>
<thead>
<tr>
<th>Summary of Risk</th>
<th>Risk Prior to Mitigation</th>
<th>Key Mitigation Measures</th>
<th>Residual Impact</th>
</tr>
</thead>
</table>
| Risk that human resources policies, procedures and resources will not be sufficiently established, deployed and communicated to all workers to provide them with the necessary protection and benefits. | **Moderate risk** during construction | Application of comprehensive and rigorous recruitment, employment, health and safety and retrenchment policies and procedures to all directly employed staff in accordance with:  
  - Guinean law;  
  - the Project internal regulations;  
  - the Basic Agreement;  
  - the collective agreement for activities in mines, quarries and mining industries;  
  - IFC PS2;  
  - IFC EHS Guidelines for Ports, Harbors and Terminals  
  - Rio Tinto’s global code of business conduct; and  
  - Rio Tinto’s standards for recruitment, management of grievances, local conduct, procurement, and health and safety. | **No significant risk of adverse impact** during all phases of the Project |
| Risk that workers will be expected to work excessive hours and have inadequate leave. | **Major risk** during construction | Application of the same requirements to all contractor employees through:  
  - strict procedures for pre-qualification, selection and appointment of contractors;  
  - inclusion of strict requirements in contract terms;  
  - assessment of contractors’ recruitment practices and employment policies and procedures;  
  - monitoring and regular auditing;  
  - providing additional support where needed; and  
  - auditing and reporting against IFC PS2. | **Not significant** during construction and operation |
<p>| Risk that wages and benefits especially for daily workers are not in accordance with current agreement and are not kept up to date. | <strong>Moderate risk</strong> during construction | | <strong>Not significant</strong> during operation |
| Risk that workers accommodation will not meet appropriate standards in design and operation. | <strong>Moderate risk</strong> during construction | | <strong>Not significant</strong> during operation |
| Risk that workers will not be adequately represented or provided with the opportunity to be consulted, and that they will lack freedom of association. | <strong>Major risk</strong> during construction | | <strong>Not significant</strong> during operation |
| Risk of discrimination especially against women and workers from ethnic minorities. | <strong>Moderate to major risk</strong> in all phases | | | |
| Risk that lower standards will be applied to the protection of migrant labour. | <strong>Major risk</strong> during construction | | | |
| Risk that, when required, retrenchment will not be appropriately planned and implemented. | <strong>Not significant</strong> during construction and operation | | | |
| Risk that workers will not have access to an appropriate mechanism for dealing with grievances. | <strong>Moderate to major risk</strong> during construction | | | |
| Risk that children will be employed by contractors or in the supply chain. | <strong>Moderate risk</strong> during construction | | | |
| Risk that workers will be subject to conditions | <strong>Moderate risk</strong> during construction | | | |</p>
<table>
<thead>
<tr>
<th>Summary of Risk</th>
<th>Risk Prior to Mitigation</th>
<th>Key Mitigation Measures</th>
<th>Residual Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>constituting forced labour.</td>
<td>Not significant during operation</td>
<td>Availability of an effective grievance procedure for all people employed directly or indirectly in the Project.</td>
<td></td>
</tr>
<tr>
<td>Occupational health and safety.</td>
<td>Major to critical risks in all phases</td>
<td>Application of careful procedures in selection and auditing of external suppliers of goods and services to the Project to avoid child and forced labour and life threatening risks to health and safety.</td>
<td></td>
</tr>
<tr>
<td>Workers engaged by third parties.</td>
<td>Critical risks in all phases</td>
<td></td>
<td></td>
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</tbody>
</table>